HOUSE OF REPRESENTATIVES



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July 27, 2007

The Honorable Tom Craddick Speaker, Texas House of Representatives 1100 Congress, Room 2W.13 Austin, Texas 78701

Dear Speaker Craddick:

As you know, Governor Rick Perry used his line-item veto authority last month to strike \$154 million which was intended to fund higher education employees' group insurance contributions for public community and junior colleges for fiscal year 2009 from House Bill 1.

Governor Perry's veto severely harms our state's system of higher education. In its practical effect the veto is the equivalent of a tax increase on hard-working Texans who are striving to build better lives by obtaining a community or junior college education.

Yesterday, 47 House Democrats wrote to Governor Perry and requested the he use budget execution authority, in conjunction with the Legislative Budget Board (LBB), to restore the \$154 million. Many other legislators have written to Perry independently. This veto has caused a statewide uproar, and its effects must be reversed.

I respectfully write to ask you to join the call publicly and unequivocally to restore these critically needed funds and correct Governor Perry's unwise decision. As a Joint-Chair of the LBB, your approval will be necessary to implement the restoration of the \$154 million. If Perry does not immediately take steps to effectively reverse his ill-conceived veto, then you and Lieutenant Governor Dewhurst should begin the process of making Texas community and junior colleges whole.

You and Lieutenant Governor Dewhurst have the authority to convene the LBB immediately and begin the budget execution process. Regardless of Governor Perry's course of action, please do what is right for Texas' future and the hard-working students that attend Texas' public community and junior colleges.

Sincerely,

Jim Dunnam

State Representative, District 57



TEXAS HOUSE OF REPRESENTATIVES TOM CRADDICK SPEAKER

August 1, 2007

The Honorable Jim Dunnam State Representative, District 57 State Capitol, Room GN.11 Austin, Texas 78701

Dear Jim:

Thank you for your recent letter related to the Governor's veto of the 2009 fiscal year funding for higher education group insurance for community colleges.

I supported the original appropriation made by the Legislature for this purpose and, therefore, also support the restoration of these funds. I am currently working with the Governor, Lt. Governor and members of the House to find a practical solution that will achieve that end. It is my intention to act quickly so community colleges will be able to plan accordingly and avoid any negative consequences, such as tuition increases for students or property tax rate increases for home owners and businesses.

The Governor has raised some legitimate concerns that will need to be addressed with regard to how we calculate the proportionality of salaries and benefits between local and state funding sources. However, I believe we will find an acceptable solution to his concerns.

You suggested that we immediately utilize the budget execution process to rectify this issue. Ultimately, that may be the method we choose. However, there are other options available to us that will accomplish the same result. The Legislative Budget Board and the Governor, through the budget execution process, do not have the authority to simply restore the funds for this purpose. We can, however, transfer funds between appropriations items, between appropriation years, or redefine the purpose of an appropriation. Thus, if we choose to go this route we will first have to work out the details with regard to where the funds will be transferred from, and then in all likelihood restore those funds via a supplemental appropriation during the next legislative session.

In any event, I can assure you that we will be ready to announce a solution to this issue in the very near future. In the meantime, if you have any other suggestions or comments please do not hesitate to contact me again.

I hope this letter finds you and your family enjoying a wonderful summer.

Sincerely,

TOM CRADDICK

Speaker